

**Introduced by Senator Dutton**

January 10, 2006

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An act to add Title 19 (commencing with Section 99100) to the Government Code, to add Article 6.9 (commencing with Section 20209.20) to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to amend Sections 143, 149, 217, 217.8, 217.9, and 2108 of, and to add and repeal Section 217.75 of, the Streets and Highways Code, and to amend Section 42205 of the Vehicle Code, relating to transportation and providing the funds necessary for a transportation improvement program through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 1165, as introduced, Dutton. Transportation Bond Acts of 2006, 2008, and 2012: transportation contracting.

(1) Existing law provides various funding sources for transportation purposes, including fuel excise taxes, sales taxes on fuels, and truck weight fees.

This bill would enact the Congestion Reduction, Clean Air, and Trade Corridor Bond Act of 2006, the Congestion Reduction, Clean Air, and Trade Corridor Bond Act of 2008, and the Transportation Revenue Bond Act of 2012. The bill would require the Secretary of State to submit the proposed bond measures to the voters at an unspecified election in 2006, and at the November 4, 2008, and November 6, 2012, elections, respectively.

This bill would authorize \$6,000,000,000 each in state general obligation bonds under the 2006 and 2008 bond acts for various transportation purposes, and would authorize \$14,000,000,000 in state

general obligation bonds under the 2012 bond act for various transportation purposes. The bill would also pledge up to 25% of the existing fuel excise taxes and 25% of truck weight fees, up to \$1.025 billion annually from both sources, for 30 years to offset the General Fund cost for bond debt service for the 2012 bond act, subject to extension by statute if necessary to meet debt service obligations.

(2) Existing law sets forth requirements for the solicitation and evaluation of bids and the awarding of contracts by public entities for the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement. Existing law also authorizes specified state agencies, cities, and counties to implement alternative procedures for the awarding of contracts on a design-build basis. Existing law, until January 1, 2007, authorizes transit operators to enter into a design-build contract, as defined, according to specified procedures.

This bill would authorize certain state and local transportation entities to use a design-build process for contracting on transportation projects, as specified. This bill would establish a procedure for submitting bids that includes a requirement that design-builders provide certain information in a questionnaire submitted to the transportation entity that is verified under oath. Because a verification under oath is made under penalty of perjury, the bill would, by requiring a verification, create a new crime and thereby impose a state-mandated local program. The bill would require these transportation entities to report to the Legislature regarding implementation of the design-build process. This bill would also require a transportation entity to implement a labor compliance program for design-build projects.

(3) Existing law authorizes the Department of Transportation, until January 1, 2010, to conduct a pilot project to award design-sequencing contracts, as defined, for the design and construction of not more than 12 transportation projects, to be selected by the Director of Transportation.

This bill would additionally authorize the department, until January 1, 2012, to award design-sequencing contracts for the design and construction of not more than 4 additional transportation projects, to be selected by the director. The bill would extend other provisions relating to the pilot project to January 1, 2012.

(4) Existing law, until January 1, 2003, authorized the Department of Transportation to solicit proposals and enter into agreements with

private entities or consortia for the construction and lease of no more than 2 toll road projects, and specified the terms and requirements applicable to those projects. Existing law authorizes the department to construct high-occupancy vehicle and other preferential lanes.

This bill would instead authorize the department and regional transportation agencies to enter into comprehensive development lease agreements with public and private entities, or consortia of those entities, for certain transportation projects that may charge users of those projects tolls and user fees, subject to various terms and requirements.

(5) This bill would enact other related provisions.

(6) This bill would declare that it is to take effect immediately as an urgency statute.

(7) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Title 19 (commencing with Section 99100) is  
2 added to the Government Code, to read:

3  
4 TITLE 19. TRANSPORTATION BOND ACTS

5  
6 CHAPTER 1. THE CONGESTION REDUCTION, CLEAN AIR, AND  
7 TRADE CORRIDOR BOND ACT OF 2006

8  
9 Article 1. General Provisions

10  
11 99100. This chapter shall be known and may be cited as the  
12 Congestion Reduction, Clean Air, and Trade Corridor Bond Act  
13 of 2006. This chapter shall only become operative upon adoption  
14 by the voters at the \_\_\_\_, 2006, election.

15 99101. The Legislature finds and declares all of the  
16 following:

1 (a) Improved mobility and accessibility for people, goods,  
2 services, and information in California can be achieved through a  
3 safe, integrated, multimodal, world-class transportation system  
4 that is focused on a prosperous economy, a quality environment,  
5 and social equity.

6 (b) To achieve this goal, California must reduce future  
7 congestion to below current levels, deploy demand-management  
8 strategies, use existing capacity more efficiently, expand capacity  
9 where appropriate, incorporate the best research and technology  
10 into system planning, and implement a performance-based  
11 system of transportation project selection and infrastructure  
12 investment.

13 (c) California's economic comparative advantage and  
14 competitive edge are threatened by decreasing mobility.  
15 Improved mobility will continue to attract capital investment in  
16 California that will generate jobs for the state's growing  
17 population.

18 (d) Congestion is increasing statewide due to current land use  
19 patterns and planned levels of investment. Congestion is eroding  
20 Californians' quality of life and impacting the environment.

21 (e) Air pollution constrains congestion relief options and  
22 harms the health of the state's residents and visitors.

23 (f) Transportation investment is not keeping pace with  
24 population increases and economic growth.

25 (g) California needs state-of-the-art tools to accelerate project  
26 delivery and pursue innovative partnerships with the private  
27 sector.

28 (h) The state's economy and quality of life depend upon the  
29 efficient, safe delivery of goods to and from the state's ports and  
30 borders. At the same time, the environmental impacts of goods  
31 movement activities must be reduced to ensure protection of the  
32 public health.

33 (i) The goods movement and logistics industry is an  
34 increasingly important sector of good jobs for Californians. It is  
35 vital to grow the industry by improving the essential  
36 infrastructure needed to move goods from California's ports  
37 throughout the state and to the rest of the country with a focus on  
38 the entire "coast to border" system of facilities, including  
39 seaports, airports, railways, dedicated truck lanes, logistic  
40 centers, and border crossings.

1 (j) This system of facilities is critical to the national goods  
2 movement network and must be the focus of a partnership with  
3 the federal government

4 (k) Improving the goods movement infrastructure also is  
5 pivotal to relieving congestion on freeways and increasing  
6 mobility for everyone in California.

7 (l) Enactment of the Congestion Reduction, Clean Air, and  
8 Trade Corridor Bond Act of 2006 will provide needed investment  
9 to make improvements to reduce traffic congestion, increase  
10 throughput on the state's transportation system, vitalize the  
11 state's trade corridors, improve air quality, encourage land use  
12 decisions that reduce demand on the state's transportation  
13 network, and keep California's economy strong.

14 99102. As used in this chapter, the following terms have the  
15 following meanings:

16 (a) "Agency" means the Business, Transportation and Housing  
17 Agency.

18 (b) "Board" means the Department of Transportation.

19 (c) "Commission" means the California Transportation  
20 Commission.

21 (d) "Committee" means the Transportation Bond Finance  
22 Committee, established pursuant to Section 99103.

23 (e) "Corridor mobility projects" means those projects  
24 proposed by the department and the agency to reduce congestion  
25 on the state highway system through implementation of  
26 operational improvements and system management strategies.

27 (f) "Department" means the Department of Transportation.

28 (g) "Focus routes" means those non-Interstate interregional  
29 routes that connect California's urbanized areas.

30 (h) "Fund" means the Congestion Reduction, Clean Air, and  
31 Trade Corridor Bond Fund, established pursuant to section  
32 99105.

33 (i) "Intelligent transportation systems" means, but is not  
34 limited to, advanced operational hardware, software,  
35 communications systems, and infrastructure, for integrated  
36 advanced transportation management systems, information  
37 systems, and electronic toll collection systems.

38 (j) "Performance measures" means the goals, objectives,  
39 standards, strategies, and metrics adopted by the commission to  
40 evaluate the benefits and cost-effectiveness of regional and

1 interregional transportation plans and projects to accommodate  
2 growth in transportation demands while reducing congestion in  
3 the state highway component of the system over the next decade.

4 (k) “Port mitigation projects” means the projects to reduce air  
5 pollution from both publicly and privately owned vehicles and  
6 equipment, consistent with the “Emission Reduction Plan for  
7 Ports and International Goods Movement” adopted by the State  
8 Air Resources Board and the trade infrastructure and goods  
9 movement action plan required by Section 99110. Port mitigation  
10 projects include, but are not limited to, projects to repair, replace,  
11 or retire fuel burning engines or to improve emissions reduction  
12 components of those engines.

13 (l) “Regional agency” means the agency required to adopt the  
14 regional transportation improvement program pursuant to Section  
15 14527.

16 (m) “Regional priorities” means projects that are on the state  
17 highway system, are high priorities for regional agencies, and are  
18 included in an adopted regional transportation plan prepared  
19 pursuant to Section 65080.

20 (n) “State General Obligation Bond Law” means the State  
21 General Obligation Bond Law (Chapter 4 (commencing with  
22 Section 16720) of Part 3 of Division 4 of Title 2).

23 (o) “Trade infrastructure and goods movement action plan”  
24 means the strategic plan developed by the agency and the  
25 California Environmental Protection Agency and adopted by the  
26 commission pursuant to Section 99110, to improve the  
27 movement of goods while reducing the environmental impacts  
28 from goods movement activities to ensure protection of public  
29 health.

30 (p) “Transportation System Management Master Plan” means  
31 the strategic plan developed by the department, including a  
32 prioritized listing of projects, to reduce congestion on the state  
33 highway system by managing traffic flow through effective  
34 application of public and motorist information, demand  
35 management, and incident management.

36 (q) “Trade corridors” means the infrastructure that facilitates  
37 the flow of goods and services to and through California.

38 99103. (a) Solely for the purpose of authorizing the issuance  
39 and sale, pursuant to the State General Obligation Bond Law, of  
40 the bonds authorized by this chapter, the Transportation Bond

1 Finance Committee is hereby created. For purposes of this  
2 chapter, the Transportation Bond Finance Committee is the  
3 “committee” as that term is used in the State General Obligation  
4 Bond Law.

5 (b) The committee consists of the Director of Finance, the  
6 Treasurer, and the Secretary of Business, Transportation and  
7 Housing. Notwithstanding any other provision of law, any  
8 member may designate a deputy to act as that member in his or  
9 her place and stead for all purposes, as though the member were  
10 personally present.

11 (c) The Treasurer shall serve as chairperson of the committee.

12 (d) A majority of the members of the committee shall  
13 constitute a quorum of the committee and may act for the  
14 committee.

15 99104. For purposes of the State General Obligation Bond  
16 Law, the Department of Transportation is named the “board.”  
17

18 Article 2. Congestion Reduction, Clean Air, and Trade  
19 Corridor Bond Program of 2006  
20

21 99105. The proceeds of bonds issued and sold pursuant to this  
22 chapter shall be deposited in the Congestion Reduction, Clean  
23 Air, and Trade Corridor Bond Fund, which is hereby created.

24 99106. All moneys deposited in the fund are continuously  
25 appropriated to the department without regard to fiscal year,  
26 notwithstanding Section 13340, and shall be available for  
27 encumbrance and expenditure for the purposes specified in  
28 Section 99111.

29 99107. Other state transportation funds may not be used to  
30 pay principal or interest obligations associated with bonds issued  
31 under this chapter.

32 99108. (a) The agency and department shall propose by  
33 September 1, 2006, and the commission shall adopt by December  
34 31, 2006, guidelines for review of projects and allocation of  
35 funds pursuant to this chapter. The purpose of the guidelines is to  
36 ensure that the proposed projects result in cost-effective system  
37 improvements that reduce traffic congestion, increase throughput  
38 on the state’s transportation system, vitalize the state’s trade  
39 corridors, improve air quality, and keep California’s economy

1 strong. The guidelines shall be based on performance measures  
2 and shall include, but not be limited to, the following:

3 (1) Criteria and methodology for evaluating the  
4 cost-effectiveness of individual projects in contributing to  
5 meeting the performance measures adopted by the commission  
6 for regional and interregional plans, including impacts on  
7 performance of the transportation system as a whole and  
8 reduction of congestion.

9 (2) Process and procedures for regional agencies to propose a  
10 substitute project or modification for a project proposed by the  
11 agency and department.

12 (3) Requirements for actions by regional agencies and local  
13 jurisdictions to implement strategies to improve mobility and  
14 reduce congestion as a condition of allocation of funds to  
15 projects.

16 (4) Process for consideration of matching funds and other  
17 leveraged benefits associated with the allocation of bond funds.

18 (5) Consideration of the safety implications and benefits  
19 associated with individual projects.

20 (6) Consideration of a reasonable geographic balance at the  
21 system and project levels.

22 (b) The commission shall conduct at least one public hearing  
23 in northern California and one in southern California prior to  
24 adopting the guidelines. The commission may amend the adopted  
25 guidelines after conducting at least one public hearing. The  
26 guidelines shall be the complete and full statement of the policy,  
27 standards, and criteria that the commission intends to use in  
28 approving the allocation of funds.

29 99109. Except for funds provided in subdivision (c) of  
30 Section 99111, funds available for allocation under this chapter  
31 are not subject to the provisions of Sections 14524 and 14525 of  
32 this code, or Sections 164, 188, and 188.8 of the Streets and  
33 Highways Code.

34 99110. Funds available for allocation under subdivisions (h)  
35 and (i) of Section 99111 shall be consistent with a trade  
36 infrastructure and goods movement action plan prepared by the  
37 Secretary of Business, Transportation and Housing and the  
38 Secretary for Environmental Protection. The secretaries shall  
39 submit the plan to the commission on or before December 31,  
40 2006, and may revise that plan on or before December 31 of each

1 even-numbered year thereafter, for the commission's  
2 consideration and adoption following public hearings. The  
3 commission shall adopt the plan no later than the following  
4 December 31.

5 99111. (a) Funds may be used for all costs related to capital  
6 projects, including, but not limited to, right of way acquisition,  
7 design, environmental studies, environmental mitigation  
8 measures, and construction. Funds may be used for mitigation of  
9 the environmental effects of existing transportation  
10 infrastructure. Funds may be granted to other state entities, joint  
11 powers authorities, or local government entities to carry out  
12 provisions of this chapter and may be used to support  
13 public-private partnership agreements, including project revenue  
14 debt and equity financing. All projects funded by this section  
15 shall comply with applicable state and federal engineering  
16 design, environmental, and contracting standards. The  
17 commission shall allocate funds for capital projects and the  
18 department shall allocate funds for operating expenses. Funds are  
19 to be allocated as provided in subdivisions (b) to (i), inclusive.

20 (b) One billion seven hundred million dollars  
21 (\$1,700,000,000) for performance improvements to the state  
22 highway system, including focus routes and regional priorities.  
23 The agency and the department shall propose projects to be  
24 funded, consistent with performance measures adopted by the  
25 commission. Any proposed project shall be included in the  
26 regional transportation plan. A regional agency may recommend  
27 to the commission a substitute project for any project proposed  
28 by the department within its region. The substitute project may  
29 be included in the bond funding plan only upon a finding by the  
30 commission that the substitute project is more consistent with the  
31 requirements of Section 99108 than the project proposed by the  
32 agency and the department. Allocation of funds for a project  
33 recommended for substitution is subject to concurrence by the  
34 department and approval by the commission.

35 (c) One billion three hundred million dollars (\$1,300,000,000)  
36 for safety, rehabilitation, and preservation projects on the state  
37 highway system, pursuant to Section 14526.5 of this code and  
38 Section 164.6 of the Streets and Highways Code.

39 (d) Three hundred million dollars (\$300,000,000) for corridor  
40 mobility projects on the state highway system as proposed by the

1 agency and the department. In addition to the purposes for which  
2 funds may be expended, as provided in subdivision (a), funds  
3 may be expended for corridor mobility projects for initial support  
4 and operations of these projects, including, but not limited to,  
5 software development, acquisition, and implementation.

6 (e) Two hundred million dollars (\$200,000,000) for intelligent  
7 transportation systems and other technology-based projects to  
8 improve safety and effective capacity of the state's transportation  
9 system, as proposed by the agency and the department. In  
10 addition to the purposes for which funds may be expended, as  
11 provided in subdivision (a), funds may be expended for  
12 intelligent transportation system projects for initial support and  
13 operations of these projects, including, but not limited to,  
14 software development, acquisition, and implementation.

15 (f) Four hundred million dollars (\$400,000,000) for intercity  
16 passenger rail projects as proposed by the agency and the  
17 department.

18 (g) One hundred million dollars (\$100,000,000) for bicycle  
19 and pedestrian projects, including park and ride facilities, as  
20 proposed by the agency and the department. Any proposed  
21 project shall be included in the regional transportation plan. A  
22 regional agency may recommend to the commission a substitute  
23 project for any project proposed by the department within its  
24 region. The substitute project may be included in the bond  
25 funding plan only upon a finding by the commission that the  
26 substitute project is more consistent with the requirements of  
27 Section 99108 than the project proposed by the agency and the  
28 department. Allocation of funds for a project recommended for  
29 substitution is subject to concurrence by the department and  
30 approval by the commission.

31 (h) One billion dollars (\$1,000,000,000) for port mitigation  
32 projects. Notwithstanding Section 16727, funds allocated  
33 pursuant to this subdivision may be used for matching grants for  
34 port mitigation projects. Notwithstanding any other provision of  
35 law, that use shall be authorized because the public benefits from  
36 the reduction of emissions of dangerous pollutants and the  
37 matching requirement reasonably recognize the value that may  
38 be gained by the private recipient of these funds. No funds shall  
39 be allocated pursuant to this subdivision until the trade  
40 infrastructure and goods movement action plan required by

Section 99110 is adopted by the commission. Projects eligible for funding under this subdivision shall be proposed by the Secretary of Business, Transportation and Housing and the Secretary for Environmental Protection and shall have matching funds of not less than one-to-one, which may be provided from private funds or from other appropriate local or federal funds. Funding sources that were programmed for transportation uses at the time this section was enacted may not be used for matching purposes.

(i) One billion dollars (\$1,000,000,000) for transportation infrastructure projects that would serve the overall objectives of improving the flow of goods and services and enhancing environmental quality as identified in the trade infrastructure and goods movement action plan required by Section 99110. Projects eligible for funding include, but are not limited to: highway access to ports and intermodal facilities; rail access to ports and intermodal facilities; truck corridor highway improvements, including dedicated truck facilities and truck toll facilities; and rail corridor improvements, including grade separation projects. Projects eligible for funding under this subdivision shall be proposed by the Secretary of Business, Transportation and Housing and the Secretary for Environmental Protection and shall having matching funds of not less than four times the state contribution. Matching funds may be provided from private funds or from other appropriate local or federal funds. Funding sources that were programmed for transportation uses at the time this section was enacted may not be used for matching purposes. No funds shall be allocated pursuant to this subdivision until the commission adopts the trade infrastructure and goods movement action plan required by Section 99110. In addition to the guidelines adopted pursuant to Section 99108, the commission shall also consider the following factors when allocating these funds:

(1) "Velocity," which means the speed by which large cargo would travel from the port through the distribution system.

(2) "Throughput," which means the volume of cargo that would move from the port through the distribution system.

(3) "Reliability," which means a reasonably consistent and predictable amount of time for cargo to travel from one point to another on any given day or at any given time in California.

1 (4) “Congestion reduction,” which means the reduction in  
2 recurrent daily hours of delay to be achieved.

3 (5) “Emission reduction,” which means the amount of diesel  
4 particulate and other pollutant emissions to be reduced.

5 (6) Reasonable geographic balance among the state’s regions.

6 (7) Matching funds provided.

7  
8 Article 3. Fiscal Provisions  
9

10 99112. (a) Bonds in the total amount of six billion dollars  
11 (\$6,000,000,000), not including the amount of any refunding  
12 bonds issued in accordance with Section 99120, or so much  
13 thereof as is necessary, may be issued and sold to provide a fund  
14 to be used for carrying out the purposes expressed in this chapter  
15 and to reimburse the General Obligation Bond Expense  
16 Revolving Fund pursuant to Section 16724.5. The bonds, when  
17 sold, shall be and constitute valid and binding obligations of the  
18 State of California, and the full faith and credit of the State of  
19 California is hereby pledged for the punctual payment of both  
20 principal of, and interest on, the bonds as the principal and  
21 interest become due and payable.

22 (b) The Treasurer shall sell the bonds authorized by the  
23 committee pursuant to this section. The bonds shall be sold upon  
24 the terms and conditions specified in a resolution to be adopted  
25 by the committee pursuant to Section 16731.

26 99113. The bonds authorized by this chapter shall be  
27 prepared, executed, issued, sold, paid, and redeemed as provided  
28 in the State General Obligation Bond Law, and all of the  
29 provisions of that law apply to the bonds and to this chapter and  
30 are hereby incorporated in this chapter as though set forth in full  
31 in this chapter.

32 99114. There shall be collected each year and in the same  
33 manner and at the same time as other state revenue is collected,  
34 in addition to the ordinary revenues of the state, a sum in an  
35 amount required to pay the principal of, and interest on, the  
36 bonds each year, and it is the duty of all officers charged by law  
37 with any duty in regard to the collection of the revenue to do and  
38 perform each and every act that is necessary to collect that  
39 additional sum.

1 99115. Notwithstanding Section 13340, there is hereby  
2 appropriated from the General Fund in the State Treasury, for the  
3 purposes of this chapter, an amount that will equal the total of the  
4 following:

5 (a) The sum annually necessary to pay the principal of, and  
6 interest on, bonds issued and sold pursuant to this chapter, as the  
7 principal and interest become due and payable.

8 (b) The sum that is necessary to carry out the provisions of  
9 Section 99118, appropriated without regard to fiscal years.

10 99116. The board may request the Pooled Money Investment  
11 Board to make a loan from the Pooled Money Investment  
12 Account in accordance with Section 16312, for the purpose of  
13 carrying out this chapter. The amount of the request shall not  
14 exceed the amount of the unsold bonds that the committee has,  
15 by resolution, authorized to be sold for the purpose of carrying  
16 out this chapter. The board shall execute those documents  
17 required by the Pooled Money Investment Board to obtain and  
18 repay the loan. Any amounts loaned shall be deposited in the  
19 fund to be allocated by the board in accordance with this chapter.

20 99117. Notwithstanding any other provision of this chapter,  
21 or of the State General Obligation Bond Law, if the Treasurer  
22 sells bonds that include a bond counsel opinion to the effect that  
23 the interest on the bonds is excluded from gross income for  
24 federal tax purposes under designated conditions, the Treasurer  
25 may maintain separate accounts for the bond proceeds invested  
26 and for the investment earnings on those proceeds, and may use  
27 or direct the use of those proceeds or earnings to pay any rebate,  
28 penalty, or other payment required under federal law or take any  
29 other action with respect to the investment and use of those bond  
30 proceeds, as may be required or desirable under federal law in  
31 order to maintain the tax-exempt status of those bonds and to  
32 obtain any other advantage under federal law on behalf of the  
33 funds of this state.

34 99118. For the purposes of carrying out this chapter, the  
35 Director of Finance may authorize the withdrawal from the  
36 General Fund of an amount or amounts not to exceed the amount  
37 of the unsold bonds that have been authorized by the committee  
38 to be sold for the purpose of carrying out this chapter. Any  
39 amounts withdrawn shall be deposited in the fund. Any money  
40 made available under this section shall be returned to the General

1 Fund, with interest at the rate earned by the money in the Pooled  
2 Money Investment Account, from proceeds received from the  
3 sale of bonds for the purpose of carrying out this chapter.

4 99119. All money deposited in the fund that is derived from  
5 premium and accrued interest on bonds sold pursuant to this  
6 chapter shall be reserved in the fund and shall be available for  
7 transfer to the General Fund as a credit to expenditures for bond  
8 interest.

9 99120. The bonds issued and sold pursuant to this chapter  
10 may be refunded in accordance with Article 6 (commencing with  
11 Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2,  
12 which is a part of the State General Obligation Bond Law.  
13 Approval by the electors of the state for the issuance of the bonds  
14 under this chapter shall include approval of the issuance of any  
15 bonds issued to refund any bonds originally issued under this  
16 chapter or any previously issued refunding bonds.

17 99121. The Legislature hereby finds and declares that,  
18 inasmuch as the proceeds from the sale of bonds authorized by  
19 this chapter are not “proceeds of taxes” as that term is used in  
20 Article XIII B of the California Constitution, the disbursement of  
21 these proceeds is not subject to the limitations imposed by that  
22 article.

23 99122. It is the intent of the people of California, in enacting  
24 this chapter, that bond funds shall not be used to displace existing  
25 sources of funds for transportation, including, but not limited to,  
26 funds that have been provided pursuant to Article XIX of the  
27 California Constitution, and that any future comprehensive  
28 transportation funding legislation shall not offset or reduce the  
29 amounts otherwise made available for the transportation purposes  
30 of this chapter.

31  
32 CHAPTER 2. THE CONGESTION REDUCTION, CLEAN AIR, AND  
33 TRADE CORRIDOR BOND ACT OF 2008  
34

35 Article 1. General Provisions  
36

37 99200. This chapter shall be known and may be cited as the  
38 Congestion Reduction, Clean Air, and Trade Corridor Bond Act  
39 of 2008. This chapter shall only become operative upon adoption  
40 by the voters at the November 4, 2008, general election.

1 99201. The Legislature finds and declares all of the  
2 following:

3 (a) Improved mobility and accessibility for people, goods,  
4 services and information in California can be achieved through a  
5 safe, integrated, multimodal, world-class transportation system  
6 that is focused on a prosperous economy, a quality environment,  
7 and social equity.

8 (b) To achieve this goal, California must reduce future  
9 congestion to below current levels, deploy demand-management  
10 strategies, use existing capacity more efficiently, expand capacity  
11 where appropriate, incorporate the best research and technology  
12 into system planning, and implement a performance-based  
13 system of transportation project selection and infrastructure  
14 investment.

15 (c) California's economic comparative advantage and  
16 competitive edge are threatened by decreasing mobility.  
17 Improved mobility will continue to attract capital investment in  
18 California that will generate jobs for the state's growing  
19 population.

20 (d) Congestion is increasing statewide due to current land use  
21 patterns and planned levels of investment. Congestion is eroding  
22 Californians' quality of life and impacting the environment.

23 (e) Air pollution constrains congestion relief options and  
24 harms the health of the state's residents and visitors.

25 (f) Transportation investment is not keeping pace with  
26 population increases and economic growth.

27 (g) California needs state-of-the-art tools to accelerate project  
28 delivery and pursue innovative partnerships with the private  
29 sector.

30 (h) The state's economy and quality of life depend upon the  
31 efficient, safe delivery of goods to and from the state's ports and  
32 borders. At the same time, the environmental impacts of goods  
33 movement activities must be reduced to ensure protection of the  
34 public health.

35 (i) The goods movement and logistics industry is an  
36 increasingly important sector of good jobs for Californians. It is  
37 vital to grow the industry by improving the essential  
38 infrastructure needed to move goods from California's ports  
39 throughout the state and to the rest of the country with a focus on  
40 the entire "coast to border" system of facilities, including

1 seaports, airports, railways, dedicated truck lanes, logistic  
2 centers, and border crossings.

3 (j) This system of facilities is critical to the national goods  
4 movement network and must be the focus of a partnership with  
5 the federal government

6 (k) Improving the goods movement infrastructure also is  
7 pivotal to relieving congestion on freeways and increasing  
8 mobility for everyone in California.

9 (l) Enactment of the Congestion Reduction, Clean Air, and  
10 Trade Corridor Bond Act of 2008 will provide needed investment  
11 to make improvements to reduce traffic congestion, increase  
12 throughput on the state's transportation system, vitalize the  
13 state's trade corridors, improve air quality, encourage land use  
14 decisions that reduce demand on the state's transportation  
15 network, and keep California's economy strong.

16 99202. As used in this chapter, the following terms have the  
17 following meanings:

18 (a) "Agency" means the Business, Transportation and Housing  
19 Agency.

20 (b) "Board" means the Department of Transportation.

21 (c) "Commission" means the California Transportation  
22 Commission.

23 (d) "Committee" means the Transportation Bond Finance  
24 Committee, established pursuant to Section 99203.

25 (e) "Department" means the Department of Transportation.

26 (f) "Focus routes" means those non-Interstate interregional  
27 routes that connect California's urbanized areas.

28 (g) "Fund" means the Congestion Reduction, Clean Air, and  
29 Trade Corridor Bond Fund, established pursuant to Section  
30 99205, unless a fund by that name has previously been created by  
31 Section 99105, in which case "fund" means that fund.

32 (h) "Performance measures" means the goals, objectives,  
33 standards, strategies and metrics adopted by the commission to  
34 evaluate the benefits and cost-effectiveness of regional and  
35 interregional transportation plans and projects to accommodate  
36 growth in transportation demands while reducing congestion in  
37 the state highway component of the system over the next decade.

38 (i) "Port mitigation projects" means the projects to reduce air  
39 pollution from both publicly and privately owned vehicles and  
40 equipment, consistent with the "Emission Reduction Plan for

1 Ports and International Goods Movement” adopted by the State  
2 Air Resources Board and the trade infrastructure and goods  
3 movement action plan required by Section 99210. Port mitigation  
4 projects include, but are not limited to, projects to repair, replace,  
5 or retire fuel burning engines or to improve emissions reduction  
6 components of those engines.

7 (j) “Regional agency” means the agency required to adopt the  
8 regional transportation improvement program pursuant to Section  
9 14527.

10 (k) “Regional priorities” means projects that are on the state  
11 highway system, are high priorities for regional agencies, and are  
12 included in an adopted regional transportation plan prepared  
13 pursuant to Section 65080.

14 (l) “State General Obligation Bond Law” means the State  
15 General Obligation Bond Law, Chapter 4 (commencing with  
16 Section 16720) of Part 3 of Division 4 of Title 2.

17 (m) “Trade infrastructure and goods movement action plan”  
18 means the strategic plan developed by the agency and the  
19 California Environmental Protection Agency and adopted by the  
20 commission pursuant to Section 99210, to improve the  
21 movement of goods while reducing the environmental impacts  
22 from goods movement activities to ensure protection of public  
23 health.

24 (n) “Transportation System Management Master Plan” means  
25 the strategic plan developed by the department, including a  
26 prioritized listing of projects, to reduce congestion on the state  
27 highway system by managing traffic flow through effective  
28 application of public and motorist information, demand  
29 management and incident management.

30 (o) “Trade corridors” means the infrastructure that facilitates  
31 the flow of goods and services to and through California.

32 99203. (a) Solely for the purpose of authorizing the issuance  
33 and sale, pursuant to the State General Obligation Bond Law, of  
34 the bonds authorized by this chapter, the Transportation Bond  
35 Finance Committee is hereby created. For purposes of this  
36 chapter, the Transportation Bond Finance Committee is the  
37 “committee” as that term is used in the State General Obligation  
38 Bond Law.

39 (b) The committee consists of the Director of Finance, the  
40 Treasurer, and the Secretary of Business, Transportation and

1 Housing. Notwithstanding any other provision of law, any  
2 member may designate a deputy to act as that member in his or  
3 her place and stead for all purposes, as though the member were  
4 personally present.

5 (c) The Treasurer shall serve as chairperson of the committee.

6 (d) A majority of the members of the committee shall  
7 constitute a quorum of the committee and may act for the  
8 committee.

9 99204. For purposes of the State General Obligation Bond  
10 Law, the Department of Transportation is named the “board.”

11  
12 Article 2. Congestion Reduction, Clean Air, and Trade  
13 Corridor Bond Program of 2008  
14

15 99205. The proceeds of bonds issued and sold pursuant to this  
16 chapter shall be deposited in the Congestion Reduction, Clean  
17 Air, and Trade Corridor Bond Fund, which is hereby created,  
18 except that if a fund by that name has previously been created  
19 pursuant to Section 99105, then the proceeds of bonds issued and  
20 sold pursuant to this chapter shall be deposited into that fund.

21 99206. All moneys deposited in the fund are continuously  
22 appropriated to the department without regard to fiscal year,  
23 notwithstanding Section 13340, and shall be available for  
24 encumbrance and expenditure for the purposes specified in  
25 Section 99211.

26 99207. Other state transportation funds may not be used to  
27 pay principal or interest obligations associated with bonds issued  
28 under this chapter.

29 99208. (a) Unless guidelines are adopted pursuant to Section  
30 99108, the agency and department shall propose by December  
31 15, 2008, and the commission shall adopt by March 31, 2009,  
32 guidelines for review of projects and allocation of funds pursuant  
33 to this chapter. If guidelines have previously been adopted  
34 pursuant to Section 99108, those guidelines may be used for  
35 purposes of this chapter. The purpose of the guidelines is to  
36 ensure that the proposed projects result in cost-effective system  
37 improvements that reduce traffic congestion, increase throughput  
38 on the state’s transportation system, vitalize the state’s trade  
39 corridors, improve air quality, encourage land use decisions that  
40 reduce demand on the state’s transportation network, and keep

1 California's economy strong. The guidelines shall be based on  
2 performance measures and shall include, but not be limited to,  
3 the following:

4 (1) Criteria and methodology for evaluating the  
5 cost-effectiveness of individual projects in contributing to  
6 meeting the performance measures adopted by the commission  
7 for regional and interregional plans, including impacts on  
8 performance of the transportation system as a whole and  
9 reduction of congestion.

10 (2) Process and procedures for regional agencies to propose a  
11 substitute project or modification for a project proposed by the  
12 agency and department.

13 (3) Requirements for actions by regional agencies and local  
14 jurisdictions to implement strategies to improve mobility and  
15 reduce congestion as a condition of allocation of funds to  
16 projects.

17 (4) Process and procedures for consideration of impacts of  
18 regional plans and local land use decisions on the transportation  
19 system.

20 (5) Process for consideration of matching funds and other  
21 leveraged benefits associated with the allocation of bond funds.

22 (6) Consideration of the safety implications and benefits  
23 associated with individual projects.

24 (7) Consideration of a reasonable geographic balance at the  
25 system and project levels.

26 (b) The commission shall conduct at least one public hearing  
27 in northern California and one in southern California prior to  
28 adopting the guidelines. The commission may amend the adopted  
29 guidelines after conducting at least one public hearing. The  
30 guidelines shall be the complete and full statement of the policy,  
31 standards, and criteria that the commission intends to use in  
32 approving the allocation of funds.

33 99209. Except for funds provided in subdivision (c) of  
34 Section 99211, funds available for allocation under this chapter  
35 are not subject to the provisions of Sections 14524 and 14525 of  
36 this code or Sections 164, 188, and 188.8 of the Streets and  
37 Highways Code.

38 99210. Funds available for allocation under subdivision (f) of  
39 Section 99211 shall be consistent with a trade infrastructure and  
40 goods movement action plan prepared by the Secretary of

1 Business, Transportation and Housing and the Secretary for  
2 Environmental Protection. The secretaries shall submit the plan  
3 to the commission on or before December 31, 2008, and may  
4 revise the plan on or before December 31 of each even-numbered  
5 year thereafter, for the commission's consideration and adoption  
6 following public hearing. The commission shall adopt the plan  
7 no later than the following December 31. If a plan has previously  
8 been adopted pursuant to Section 99110, an update to that plan  
9 shall be sufficient to meet the requirements of this section.

10 99211. (a) Funds may be used for all costs related to capital  
11 projects, including, but not limited to, right of way acquisition,  
12 design, environmental studies, environmental mitigation  
13 measures, and construction. Funds may be used for mitigation of  
14 the environmental effects of existing transportation  
15 infrastructure. Funds may be granted to other state entities, joint  
16 powers authorities, or local government entities to carry out  
17 provisions of this chapter and may be used to support  
18 public-private partnerships agreements, including project revenue  
19 debt and equity financing. All projects funded by this section  
20 shall comply with applicable state and federal engineering  
21 design, environmental, and contracting standards. The  
22 commission shall allocate funds for capital projects and the  
23 department shall allocate funds for operating expenses. Funds are  
24 to be allocated as provided in subdivisions (b) to (f), inclusive.

25 (b) Three billion six hundred million dollars (\$3,600,000,000)  
26 for performance improvements to the state highway system,  
27 including focus routes and regional priorities. The agency and the  
28 department shall propose projects to be funded, consistent with  
29 performance measures adopted by the commission. Any  
30 proposed project shall be included in the regional transportation  
31 plan. A regional agency may recommend to the commission a  
32 substitute project for any project proposed by the department  
33 within its region. The substitute project may be included in the  
34 bond funding plan only upon a finding by the commission that  
35 the substitute project is more consistent with the requirements of  
36 Section 99208 than the project proposed by the agency and the  
37 department. Allocation of funds for a project recommended for  
38 substitution is subject to concurrence by the department and  
39 approval by the commission.

1 (c) Two hundred million dollars (\$200,000,000) for safety,  
2 rehabilitation, and preservation projects on the state highway  
3 system, pursuant to Section 14526.5 of this code and Section  
4 164.6 of the Streets and Highways Code.

5 (d) One hundred million dollars (\$100,000,000) for intercity  
6 passenger rail projects as proposed by the agency and the  
7 department.

8 (e) One hundred million dollars (\$100,000,000) for bicycle  
9 and pedestrian projects, including park and ride facilities, as  
10 proposed by the agency and the department. Any proposed  
11 project shall be included in the regional transportation plan. A  
12 regional agency may recommend to the commission a substitute  
13 project for any project within its region. The substitute project  
14 may be included in the bond funding plan only upon a finding by  
15 the commission that the substitute project is more consistent with  
16 the requirements of Section 99208 than the project proposed by  
17 the agency and the department. Allocation of funds for a project  
18 recommended for substitution is subject to concurrence by the  
19 department and approval by the commission.

20 (f) Two billion dollars (\$2,000,000,000) for transportation  
21 infrastructure projects that would serve the overall objectives of  
22 improving the flow of goods and services and enhancing  
23 environmental quality as identified in the trade infrastructure and  
24 goods movement action plan described in Section 99210.  
25 Projects eligible for funding include, but are not limited to:  
26 highway access to ports and intermodal facilities; rail access to  
27 ports and intermodal facilities; truck corridor highway  
28 improvements, including dedicated truck facilities and truck toll  
29 facilities; and rail corridor improvements, including grade  
30 separation projects. Projects eligible for funding under this  
31 subdivision shall be proposed by the Secretary of Business,  
32 Transportation and Housing and the Secretary for Environmental  
33 Protection and shall have matching funds of not less than four  
34 times the state contribution. Matching funds may be provided  
35 from private funds or from other appropriate local or federal  
36 funds. Funding sources that were programmed for transportation  
37 uses at the time this section was enacted may not be used for  
38 matching purposes. No funds shall be allocated pursuant to this  
39 subdivision until the commission adopts the trade infrastructure  
40 and goods movement action plan required by Section 99210. In

1 addition to the guidelines adopted pursuant to Section 99208, the  
2 commission shall also consider the following factors when  
3 allocating these funds:

4 (1) “Velocity,” which means the speed by which large cargo  
5 would travel from the port through the distribution system.

6 (2) “Throughput,” which means the volume of cargo that  
7 would move from the port through the distribution system.

8 (3) “Reliability,” which means a reasonably consistent and  
9 predictable amount of time for cargo to travel from one point to  
10 another on any given day or at any given time in California.

11 (4) “Congestion reduction,” which means the reduction in  
12 recurrent daily hours of delay to be achieved.

13 (5) “Emission reduction,” which means the amount of diesel  
14 particulate and other pollutant emissions to be reduced.

15 (6) Reasonable geographic balance among the state’s regions.

16 (7) Matching funds provided.

### 17 18 Article 3. Fiscal Provisions 19

20 99212. (a) Bonds in the total amount of six billion dollars  
21 (\$6,000,000,000), not including the amount of any refunding  
22 bonds issued in accordance with Section 99220, or so much  
23 thereof as is necessary, may be issued and sold to provide a fund  
24 to be used for carrying out the purposes expressed in this chapter  
25 and to reimburse the General Obligation Bond Expense  
26 Revolving Fund pursuant to Section 16724.5. The bonds, when  
27 sold, shall be and constitute valid and binding obligations of the  
28 State of California, and the full faith and credit of the State of  
29 California is hereby pledged for the punctual payment of both  
30 principal of, and interest on, the bonds as the principal and  
31 interest become due and payable.

32 (b) The Treasurer shall sell the bonds authorized by the  
33 committee pursuant to this section. The bonds shall be sold upon  
34 the terms and conditions specified in a resolution to be adopted  
35 by the committee pursuant to Section 16731.

36 99213. The bonds authorized by this chapter shall be  
37 prepared, executed, issued, sold, paid, and redeemed as provided  
38 in the State General Obligation Bond Law, and all of the  
39 provisions of that law apply to the bonds and to this chapter and

1 are hereby incorporated in this chapter as though set forth in full  
2 in this chapter.

3 99214. There shall be collected each year and in the same  
4 manner and at the same time as other state revenue is collected,  
5 in addition to the ordinary revenues of the state, a sum in an  
6 amount required to pay the principal of, and interest on, the  
7 bonds each year, and it is the duty of all officers charged by law  
8 with any duty in regard to the collection of the revenue to do and  
9 perform each and every act which is necessary to collect that  
10 additional sum.

11 99215. Notwithstanding Section 13340, there is hereby  
12 appropriated from the General Fund in the State Treasury, for the  
13 purposes of this chapter, an amount that will equal the total of the  
14 following:

15 (a) The sum annually necessary to pay the principal of, and  
16 interest on, bonds issued and sold pursuant to this chapter, as the  
17 principal and interest become due and payable.

18 (b) The sum that is necessary to carry out the provisions of  
19 Section 99218, appropriated without regard to fiscal years.

20 99216. The board may request the Pooled Money Investment  
21 Board to make a loan from the Pooled Money Investment  
22 Account in accordance with Section 16312, for the purpose of  
23 carrying out this chapter. The amount of the request shall not  
24 exceed the amount of the unsold bonds that the committee has,  
25 by resolution, authorized to be sold for the purpose of carrying  
26 out this chapter. The board shall execute those documents  
27 required by the Pooled Money Investment Board to obtain and  
28 repay the loan. Any amounts loaned shall be deposited in the  
29 fund to be allocated by the board in accordance with this chapter.

30 99217. Notwithstanding any other provision of this chapter,  
31 or of the State General Obligation Bond Law, if the Treasurer  
32 sells bonds that include a bond counsel opinion to the effect that  
33 the interest on the bonds is excluded from gross income for  
34 federal tax purposes under designated conditions, the Treasurer  
35 may maintain separate accounts for the bond proceeds invested  
36 and for the investment earnings on those proceeds, and may use  
37 or direct the use of those proceeds or earnings to pay any rebate,  
38 penalty, or other payment required under federal law or take any  
39 other action with respect to the investment and use of those bond  
40 proceeds, as may be required or desirable under federal law in

1 order to maintain the tax-exempt status of those bonds and to  
2 obtain any other advantage under federal law on behalf of the  
3 funds of this state.

4 99218. For the purposes of carrying out this chapter, the  
5 Director of Finance may authorize the withdrawal from the  
6 General Fund of an amount or amounts not to exceed the amount  
7 of the unsold bonds that have been authorized by the committee  
8 to be sold for the purpose of carrying out this chapter. Any  
9 amounts withdrawn shall be deposited in the fund. Any money  
10 made available under this section shall be returned to the General  
11 Fund, with interest at the rate earned by the money in the Pooled  
12 Money Investment Account, from proceeds received from the  
13 sale of bonds for the purpose of carrying out this chapter.

14 99219. All money deposited in the fund that is derived from  
15 premium and accrued interest on bonds sold pursuant to this  
16 chapter shall be reserved in the fund and shall be available for  
17 transfer to the General Fund as a credit to expenditures for bond  
18 interest.

19 99220. The bonds issued and sold pursuant to this chapter  
20 may be refunded in accordance with Article 6 (commencing with  
21 Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2,  
22 which is a part of the State General Obligation Bond Law.  
23 Approval by the electors of the state for the issuance of the bonds  
24 under this chapter shall include approval of the issuance of any  
25 bonds issued to refund any bonds originally issued under this  
26 chapter or any previously issued refunding bonds.

27 99221. The Legislature hereby finds and declares that,  
28 inasmuch as the proceeds from the sale of bonds authorized by  
29 this chapter are not “proceeds of taxes” as that term is used in  
30 Article XIII B of the California Constitution, the disbursement of  
31 these proceeds is not subject to the limitations imposed by that  
32 article.

33 99222. It is the intent of the people of California, in enacting  
34 this part, that bond funds shall not be used to displace existing  
35 sources of funds for transportation, including, but not limited to,  
36 funds that have been provided pursuant to Article XIX of the  
37 California Constitution, and that any future comprehensive  
38 transportation funding legislation shall not offset or reduce the  
39 amounts otherwise made available for the transportation purposes  
40 of this chapter.

CHAPTER 3. TRANSPORTATION REVENUE BOND ACT OF 2012

Article 1. General Provisions

99300. This chapter shall be known and may be cited as the Transportation Revenue Bond Act of 2012. This chapter shall only become operative upon adoption by the voters at the November 6, 2012, general election.

99301. The Legislature finds and declares all of the following:

(a) There has been substantially less investment in transportation during the 1970s, 1980s, 1990s and early part of this century than has been needed to handle population growth and the increase in travel.

(b) Existing funding is insufficient to reduce congestion and build capacity for a growing population.

(c) There has been a large increase in traffic congestion resulting in high costs to Californian's personal lives and business. The congestion increases air pollution and noise near major routes.

(d) The revenues from Proposition 42 of 2002 are likely to increase fairly substantially in the future.

(e) Therefore, it is appropriate to use transportation revenue to support bond funding to reduce congestion caused by insufficient investment in the past.

99302. As used in this chapter, the following terms have the following meanings:

(a) "Ancillary obligation" means an obligation of the state entered into in connection with any bonds issued under this chapter, including the following:

(1) A credit enhancement or liquidity agreement, including any credit enhancement or liquidity agreement in the form of bond insurance, letter of credit, standby bond purchase agreement, reimbursement agreement, liquidity facility, or other similar arrangement.

(2) A remarketing agreement.

(3) An auction agent agreement.

(4) A broker-dealer agreement or other agreement relating to the marketing of the bonds.

(5) An interest rate or other type of swap or hedging contract.

- 1 (6) An investment agreement, forward purchase agreement, or  
2 similar structured investment contract.
- 3 (b) “Agency” means the Business, Transportation and Housing  
4 Agency.
- 5 (c) “Board” means the Department of Transportation.
- 6 (d) “Committee” means the Transportation Bond Finance  
7 Committee, established pursuant to Section 99303.
- 8 (e) “Department” means the Department of Transportation.
- 9 (f) “Focus routes” means those non-Interstate interregional  
10 routes that connect California’s urbanized areas.
- 11 (g) “Fuel Tax and Weight Fee Debt Service Fund” means that  
12 fund established pursuant to Section 99311.
- 13 (h) “Fund” means the Transportation Revenue Bond Fund,  
14 established pursuant to Section 99305.
- 15 (i) “Regional agency” means the agency required to adopt the  
16 regional transportation improvement plan pursuant to Section  
17 14527.
- 18 (j) “Resolution” means any resolution, trust agreement,  
19 indenture, certificate, or other instrument authorizing the  
20 issuance of bonds pursuant to this chapter and providing for their  
21 security and repayment.
- 22 (k) “State General Obligation Bond Law” means the State  
23 General Obligation Bond Law, Chapter 4 (commencing with  
24 Section 16720) of Part 3 of Division 4 of Title 2.
- 25 (l) “Trustee” means the Treasurer or a bank or trust company  
26 within or without the state acting as trustee for any issue of bonds  
27 under this chapter and, if there is more than one issue of bonds,  
28 the term means the trustee for each issue of bonds respectively. If  
29 there are co-trustees for an issue of bonds, “trustee” means those  
30 co-trustees collectively.
- 31 (m) “Corridor mobility projects” means those projects  
32 proposed by the department and the agency to reduce congestion  
33 on the state highway system through implementation of  
34 operational improvements and system management strategies.
- 35 (n) “Intelligent transportation systems” means, but is not  
36 limited to, advanced operational hardware, software,  
37 communications systems, and infrastructure, for:
- 38 (1) Integrated advanced transportation management systems.  
39 (2) Information systems.  
40 (3) Electronic toll collection systems.

1 (o) “Performance measures” means the goals, objectives,  
2 standards, strategies and metrics adopted by the commission to  
3 evaluate the benefits and cost-effectiveness of regional and  
4 interregional transportation plans and projects to accommodate  
5 growth in transportation demands while reducing congestion in  
6 the state highway component of the system over the next decade.

7 (p) “Regional priorities” means projects that are on the state  
8 highway system, are high priorities for regional transportation  
9 planning agencies, and are included in an adopted regional  
10 transportation plan prepared pursuant to Section 65080.

11 99303. (a) Solely for the purpose of authorizing the issuance  
12 and sale, pursuant to the State General Obligation Bond Law, of  
13 the bonds authorized by this chapter, the Transportation Bond  
14 Finance Committee is hereby created. For purposes of this  
15 chapter, the Transportation Bond Finance Committee is the  
16 “committee” as that term is used in the State General Obligation  
17 Bond Law.

18 (b) The committee consists of the Director of Finance, the  
19 Treasurer, and the Secretary of Business, Transportation and  
20 Housing. Notwithstanding any other provision of law, any  
21 member may designate a deputy to act as that member in his or  
22 her place and stead for all purposes, as though the member were  
23 personally present.

24 (c) The Treasurer shall serve as chairperson of the committee.

25 (d) A majority of the members of the committee shall  
26 constitute a quorum of the committee and may act for the  
27 committee.

28 (e) In addition to all other powers specifically granted in this  
29 chapter and the State General Obligation Bond Law, the  
30 committee may do all things necessary or convenient to carry out  
31 the powers and purposes of this chapter, including the approval  
32 of any resolution and any agreement establishing an ancillary  
33 obligation, and the delegation of necessary duties to the  
34 chairperson, and to the Treasurer as agent for sale of the bonds.

35 99304. For purposes of the State General Obligation Bond  
36 Law, the Department of Transportation is named the “board.”

1 Article 2. Transportation Revenue Bond Act Program

2  
3 99305. The proceeds of bonds issued and sold pursuant to this  
4 chapter shall be deposited in the Transportation Revenue Bond  
5 Fund, a special fund in the State Treasury, which is hereby  
6 created.

7 99306. All moneys deposited in the fund are continuously  
8 appropriated to the department notwithstanding Section 13340,  
9 and shall be available for encumbrance and expenditure for  
10 transportation projects as provided in 99307 and for  
11 reimbursement of project expenditures initially made by other  
12 state funds as authorized by the commission pursuant to  
13 subdivision (a) of Section 99307.

14 99307. Moneys deposited in the fund shall be used for the  
15 research, planning, construction, improvement, maintenance, and  
16 operation of public streets and highways and their related public  
17 facilities for nonmotorized traffic, including the mitigation of  
18 their environmental effects, the payment for property taken or  
19 damaged for those purposes, and the administrative costs  
20 necessarily incurred in the foregoing purposes, and for any other  
21 purpose permitted by subdivision (a) of Section 1 of Article XIX  
22 of the California Constitution. Funds may be granted to other  
23 state entities joint powers authorities or local government entities  
24 for the purposes authorized in this section. The commission may  
25 authorize the department to reimburse qualified project  
26 expenditures initially made from the State Highway Account, the  
27 Public Transportation Account, or any other state fund or account  
28 that has advanced funds for authorized projects, with the  
29 reimbursement to be made from the Transportation Revenue  
30 Bond Fund.

31 (b) Transportation projects that may be authorized include, but  
32 are not limited to, any of the following:

33 (1) Performance improvements to the state highway system,  
34 including focus routes and regional priorities.

35 (2) Safety, rehabilitation, and preservation projects on the state  
36 highway system, pursuant to Section 14526.5 of this code and  
37 Section 164.6 of the Streets and Highways Code.

38 (3) Corridor mobility projects on the state highway system.

(4) Intelligent transportation systems and other technology-based projects to improve safety and effective capacity of the state's transportation system.

(5) Transportation infrastructure projects that would serve the overall objectives of improving the flow of goods and services and enhancing environmental quality.

All projects authorized shall be consistent with the provision of subdivision (a) of Section 1 of Article XIX of the California Constitution. The agency and the department shall propose projects to be funded consistent with performance measures adopted by the commission. Any proposed project identified in paragraphs (1) to (5), inclusive, must be included in the regional transportation plan. For projects identified in paragraphs (1) to (5), inclusive, a regional agency may recommend to the commission a substitute project for any project proposed by the department within its region. The substitute project may be included in the bond funding plan only upon a finding by the commission that the substitute project is more consistent with the requirements of this chapter than the project proposed by the agency and the department. Allocation of funds for a project recommended for substitution is subject to concurrence by the department and approval by the commission.

99307.5. Funds available for allocation under this chapter are not subject to Sections 164, 188, and 188.8 of the Streets and Highways Code.

### Article 3. Fiscal Provisions

99308. (a) Bonds in the total amount of fourteen billion dollars (\$14,000,000,000), not including the amount of any refunding bonds issued in accordance with Section 99317, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5. The bonds, when sold, shall be and constitute valid and binding obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) In addition to the pledge set forth in subdivision (a) hereof, the bonds, when sold, shall be secured by a pledge of revenues and any other amounts in the Fuel Tax and Weight Fee Debt Service Fund, which are hereby irrevocably pledged to the payment of principal and interest on the bonds issued pursuant to this chapter.

99309. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law, and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter. The Treasurer shall sell the bonds authorized by the committee pursuant to this section. The bonds shall be sold upon the terms and conditions specified in a resolution to be adopted by the committee pursuant to Section 16731. The committee shall make every effort, consistent with the best interests of the state, to structure the terms and conditions so as to minimize the duration of the debt.

99310. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year, and it is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

99311. There is hereby created the Fuel Tax and Weight Fee Debt Service Fund, a special fund in the State Treasury, which shall consist of no more than 25 percent of both the fuels tax revenues that would otherwise be transferred to the State Highway Account under Section 2108 of the Streets and Highways Code, as it read on January 1, 2006, and the weight fee revenues deposited in the State Highway Account pursuant to Section 42205 of the Vehicle Code, not to exceed a total of one billion twenty-five million dollars (\$1,025,000,000) per year. Revenues shall be transferred into this fund for 30 years to provide funds to offset the General Fund cost of debt service on the bonds authorized pursuant to Section 99308. The period of transfers to this fund may be extended for up to five years by a statute enacted by a two-thirds vote of each house of the

1 Legislature to ensure that revenues deposited into this fund are  
2 sufficient to fully offset the costs of the bonds. The transfers to  
3 this fund shall cease when a notice pursuant to Section 99319 is  
4 sent.

5 99312. (a) Notwithstanding Section 13340, there is hereby  
6 appropriated from the Fuel Tax and Weight Fee Debt Service  
7 Fund an amount that shall equal the total of the following:

8 (1) The sum annually necessary to pay the principal of, and  
9 interest on, bonds issued and sold pursuant to this chapter, as  
10 principal and interest become due and payable, whether at  
11 maturity or upon earlier redemption or defeasance as authorized  
12 by the committee, including any premium payable upon  
13 redemption and any ancillary costs that constitute principal or  
14 interest.

15 (2) Any amount necessary to establish a debt service reserve  
16 fund or to satisfy any debt service reserve fund requirements in  
17 the resolution.

18 (3) The sum that is necessary to carry out the provisions of  
19 Section 99315, appropriated without regard to fiscal years, and to  
20 repay any other borrowing in anticipation of the sale of bonds,  
21 including interest.

22 (b) Notwithstanding Section 13340, if the funds appropriated  
23 by subdivision (a) are estimated to be insufficient to equal the  
24 total of the amounts specified in paragraphs (1) through (3),  
25 inclusive, of subdivision (a), there is hereby continuously  
26 appropriated from the General Fund in the State Treasury, for the  
27 purposes of this chapter, an amount that will be sufficient to  
28 equal the total of those amounts that cannot be met by the funds  
29 appropriated by subdivision (a).

30 (c) Notwithstanding Section 13340, there is hereby  
31 continuously appropriated from the General Fund in the State  
32 Treasury, for the purposes of this chapter, an amount that will be  
33 sufficient to pay:

34 (1) The sum necessary to pay any ancillary obligations  
35 authorized by the committee that are due and payable and not  
36 paid pursuant to subdivision (a).

37 (2) Any trustee costs and other administrative costs incurred in  
38 connection with servicing the bonds and ancillary obligations,  
39 and costs permitted to be paid pursuant to subdivisions (d) and  
40 (e) of Section 16727, as authorized by the committee.

1     99313. The board may request the Pooled Money Investment  
2 Board to make a loan from the Pooled Money Investment  
3 Account in accordance with Section 16312, for the purpose of  
4 carrying out this chapter. The amount of the request shall not  
5 exceed the amount of the unsold bonds that the committee has,  
6 by resolution, authorized to be sold for the purpose of carrying  
7 out this chapter. The board shall execute those documents  
8 required by the Pooled Money Investment Board to obtain and  
9 repay the loan. Any amounts loaned shall be deposited in the  
10 fund to be allocated by the board in accordance with this chapter.

11     99314. Notwithstanding any other provision of this chapter,  
12 or of the State General Obligation Bond Law, if the Treasurer  
13 sells bonds that include a bond counsel opinion to the effect that  
14 the interest on the bonds is excluded from gross income for  
15 federal tax purposes under designated conditions, the Treasurer  
16 may maintain separate accounts for the bond proceeds invested  
17 and for the investment earnings on those proceeds, and may use  
18 or direct the use of those proceeds or earnings to pay any rebate,  
19 penalty, or other payment required under federal law or take any  
20 other action with respect to the investment and use of those bond  
21 proceeds, as may be required or desirable under federal law in  
22 order to maintain the tax-exempt status of those bonds and to  
23 obtain any other advantage under federal law on behalf of the  
24 funds of this state.

25     99315. For the purposes of carrying out this chapter, the  
26 Director of Finance may authorize the withdrawal from the  
27 General Fund of an amount or amounts not to exceed the amount  
28 of the unsold bonds that have been authorized by the committee  
29 to be sold for the purpose of carrying out this chapter. Any  
30 amounts withdrawn shall be deposited in the fund. Any money  
31 made available under this section shall be returned to the General  
32 Fund, with interest at the rate earned by the money in the Pooled  
33 Money Investment Account, from proceeds received from the  
34 sale of bonds for the purpose of carrying out this chapter.

35     99316. All money deposited in the fund that is derived from  
36 premium and accrued interest on bonds sold pursuant to this  
37 chapter shall be reserved in the fund and shall be available for  
38 transfer to the Fuel Tax and Weight Fee Debt Service Fund and  
39 applied to pay interest on bonds issued and sold pursuant to this  
40 chapter.

99317. The bonds issued and sold pursuant to this chapter may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2, which is a part of the State General Obligation Bond Law. Approval by the electors of the state for the issuance of the bonds under this chapter shall include approval of the issuance of any bonds issued to refund any bonds originally issued under this chapter or any previously issued refunding bonds.

99318. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

99319. The Director of Finance shall notify the Treasurer, the trustee, the Controller, and the board when any of the following has occurred:

(a) All bonds issued pursuant to this chapter and all related ancillary obligations have been paid or retired.

(b) Payment of the principal of and interest on all bonds issued pursuant to this chapter and ancillary obligations have been irrevocably provided for pursuant to the resolution and no bonds are deemed “outstanding” pursuant to the resolution.

(c) The Fuel Tax and Weight Fee Debt Service Fund holds sufficient funds to pay the principal of, and interest to final maturity on, all bonds issued pursuant to this chapter that are outstanding and to pay all ancillary obligations.

(d) No bonds were issued pursuant to this chapter and the committee announces that no bonds will be issued pursuant to this chapter.

SEC. 2. Article 6.9 (commencing with Section 20209.20) is added to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to read:

#### Article 6.9. Transportation Design-Build Contracts

20209.20. The Legislature finds and declares all of the following:

(a) It is the intent of the Legislature, in enacting this article, to:

1 (1) Allow use of an alternative and optional procedure for  
2 procurement of contracts for delivery of transportation projects  
3 by state and local agencies.

4 (2) Demonstrate an alternative and optional procedure for  
5 bidding on highway, bridge, tunnel, or public transit construction  
6 projects in the jurisdiction of any county, any local transportation  
7 authority designated pursuant to Division 19 (commencing with  
8 Section 180000) of the Public Utilities Code, or any local or  
9 regional transportation entity that is designated by statute as a  
10 regional transportation agency.

11 (3) Authorize the Department of Transportation to  
12 demonstrate an alternative bidding procedure for highway,  
13 bridge, or tunnel projects on the state highway system.

14 (b) (1) Transportation entities should be able to utilize  
15 cost-effective options for delivery of highway projects, in  
16 accordance with the national trend, that includes authorizing  
17 public entities to utilize design-build contracts as a project  
18 delivery method.

19 (2) Utilizing a design-build contract requires a clear  
20 understanding of the roles and responsibilities of each participant  
21 in the design-build process. The benefits of a design-build  
22 contract project delivery system include an accelerated  
23 completion of the projects, the opportunity for innovation to  
24 reduce project cost or enhance the value of the project, cost  
25 containment, reduction of construction complexity, and reduced  
26 exposure to risk for the transportation entity.

27 (3) This approach toward the design-build project delivery  
28 method should be evaluated for the purposes of exploring the  
29 potential for reduced project costs, expedited project completion,  
30 or design features not achievable through the design-bid-build  
31 method.

32 (c) For the purposes of this demonstration, it is important to  
33 select projects for which funding has been identified or  
34 programmed and are in the preliminary scope and design phase.  
35 It is also important to select projects that range in cost for the  
36 demonstration program.

37 (d) These projects are subject to the existing process under the  
38 state transportation improvement program (Chapter 2  
39 (commencing with Section 14520) of Part 5.3 of Division 3 of  
40 the Government Code) for planning, programming,

1 environmental clearance, and funding. Projects that are  
2 ultimately chosen for demonstration of the design-build  
3 collaboration project delivery method under this article shall  
4 comply with all existing requirements under the state  
5 transportation improvement program for project development  
6 and funding. This article shall not be deemed to provide a  
7 preference for design-build over other methodologies.

8 20209.22. For the purposes of this article, the following  
9 definitions apply:

10 (a) “Best value process” means a procurement process  
11 whereby the department or local transportation entity selects a  
12 design-builder based on an evaluation of proposals received with  
13 reference to objective criteria, including, but not limited to, price,  
14 features, functions, life cycle costs, and other criteria deemed  
15 appropriate by the transportation entity as outlined in the request  
16 for proposals.

17 (b) “Design-build” means a procurement process in which  
18 both the design and construction of a project are procured from a  
19 single entity.

20 (c) “Design-builder” means a partnership, corporation, or  
21 other legal entity that is able to provide appropriately licensed  
22 contracting, architectural, and engineering services as needed  
23 pursuant to a design-build contract.

24 (d) “Design-build team” means a design-builder and the  
25 individuals and entities identified by the design-builder as  
26 members of its team.

27 (e) “Department” means the Department of Transportation as  
28 established under Part 5 (commencing with Section 14000) of  
29 Division 3 of the Government Code.

30 (f) “Local transportation entity” means a transportation  
31 authority designated pursuant to Division 19 (commencing with  
32 Section 180000) of the Public Utilities Code, any consolidated  
33 agency created pursuant to Chapter 3 (commencing with Section  
34 132350) of Division 12.7 of the Public Utilities Code, the Santa  
35 Clara Valley Transportation Authority established under Part 12  
36 (commencing with Section 100000) of the Public Utilities Code,  
37 and any other local or regional transportation entity that is  
38 designated by statute as a regional transportation agency.

39 (g) “Transportation entity” means the department and a local  
40 transportation entity.

1 20209.23. (a) A local transportation entity may utilize the  
2 design-build method of project delivery procurement for  
3 transportation projects within the jurisdiction of the entity, as  
4 authorized by this article.

5 (b) The department may utilize the design-build method of  
6 project delivery for transportation projects, as authorized by this  
7 article.

8 20209.24. A transportation entity shall implement for  
9 design-build projects a labor compliance program as described in  
10 Section 1771.5 of the Labor Code, or it shall contract with a third  
11 party to implement a labor compliance program, as described in  
12 that statute, on behalf of the entity. This requirement does not  
13 apply to any project where the transportation entity or the  
14 design-build team has entered into any collective bargaining  
15 agreement or agreements that bind all of the contractors  
16 performing work on the projects.

17 20209.26. The procurement process for design-build projects  
18 under this article shall progress as follows:

19 (a) The transportation entity shall prepare a set of documents  
20 setting forth the scope of the project. The documents may  
21 include, but need not be limited to, the size, type, and desired  
22 design character of the project, performance specifications  
23 covering the quality of materials, equipment, and workmanship,  
24 preliminary plans, and any other information deemed necessary  
25 to describe adequately the transportation entity's needs. The  
26 performance specifications and any plans shall be prepared by, or  
27 under the supervision of, an appropriately licensed professional  
28 who is duly licensed and registered in California.

29 (b) Based on the documents prepared under subdivision (a),  
30 the transportation entity shall prepare a request for proposals that  
31 invites interested parties to submit competitive sealed proposals  
32 in the manner prescribed by the transportation entity. The request  
33 for proposals shall include, but need not be limited to, the  
34 following elements:

35 (1) Identification of the basic scope and needs of the project or  
36 contract, the expected cost range, the methodology that will be  
37 used by the transportation entity to evaluate proposals, the  
38 procedure for final selection of the design build entity, and any  
39 other information deemed necessary by the transportation entity  
40 to inform interested parties of the contracting opportunity.

1 (2) Significant factors that the transportation entity reasonably  
2 expects to consider in evaluating proposals, including, but not  
3 limited to, cost or price and all nonprice related factors.

4 (3) The relative importance assigned to each of the factors  
5 identified in the request for qualifications.

6 (4) If a nonweighted system is used, the transportation entity  
7 shall specifically disclose whether all evaluation factors other  
8 than cost or price when combined are any of the following:

9 (A) Significantly more important than cost or price.

10 (B) Approximately equal in importance to cost or price.

11 (C) Significantly less important than cost or price.

12 (5) If the transportation entity reserves the right to hold  
13 discussions or negotiations with responsive bidders, it shall so  
14 specify in the request for proposals and shall publish separately  
15 or incorporate into the request for proposals applicable rules and  
16 procedures to be observed by the transportation entity to ensure  
17 that any discussions or negotiations are conducted in good faith.

18 (c) (1) The transportation entity shall develop a standard form  
19 request for statements of qualifications and shall notify interested  
20 parties including construction industry representatives as well as  
21 other public agencies interested in using the authorization  
22 provided by this article, regarding the time period for comments.  
23 The comment period may occur either before or after the date of  
24 formal issuance of the request. The request for statements of  
25 qualifications shall identify the criteria that will be applied in  
26 prequalifying or short-listing proposers, and the relative  
27 importance of the factors considered. The request for statements  
28 of qualifications shall require information including, but not  
29 limited to, all of the following:

30 (A) If the design-builder proposed to have primary  
31 responsibility for construction work is a partnership, limited  
32 partnership, or other association, a listing of all of the partners,  
33 general partners, or association members known at the time of  
34 bid submission who will participate in the design-build contract.

35 (B) Evidence that the members of the design-build team have  
36 completed, or demonstrated the experience, competency,  
37 capability, and capacity to complete projects of similar size,  
38 scope, or complexity, and that proposed key personnel have  
39 sufficient experience and training to competently manage and  
40 complete the design and construction of the project, and a

1 financial statement that assures the transportation entity that the  
2 design-build entity has the capacity to complete the project.

3 (C) Evidence that the members of the design-builder team  
4 possess, or will obtain prior to award, all required licenses,  
5 registration, and credentials in good standing that are required for  
6 the types of services to be provided under the design-build  
7 contract.

8 (D) Evidence that establishes that the design-build team has  
9 the capacity to obtain all required payment and performance  
10 bonding, liability insurance, and errors and omissions insurance.

11 (E) Information concerning workers' compensation experience  
12 history and a worker safety program.

13 (F) A full disclosure regarding all of the following that are  
14 applicable with respect to each member of the design-build team  
15 during the past five years:

16 (i) Any serious or willful violation of Part 1 (commencing  
17 with Section 6300) of Division 5 of the Labor Code or the federal  
18 Occupational Safety and Health Act of 1970 (Public Law  
19 91-596), settled against any member of the design-build team.

20 (ii) Any debarment, disqualification, or removal from a  
21 federal, state, or local government public works project.

22 (iii) Any instance where the design-build team, or its owners,  
23 officers, or managing employees submitted a bid on a public  
24 works project and were found to be nonresponsive, or were found  
25 by an awarding body not to be a responsible bidder.

26 (iv) Any instance where the design-build team, or its owners,  
27 officers, or managing employees defaulted on a construction  
28 contract.

29 (v) Any violations of the Contractors' State License Law, as  
30 described in Chapter 9 (commencing with Section 7000) of  
31 Division 3 of the Business and Professions Code, excluding  
32 alleged violations of federal or state law regarding the payment  
33 of wages, benefits, apprenticeship requirements, or personal  
34 income tax withholding, or Federal Insurance Contribution Act  
35 (FICA) withholding requirements settled against any member of  
36 the design-build team.

37 (vi) Any bankruptcy or receivership of any member of the  
38 design-build team, including, but not limited to, information  
39 concerning any work completed by a surety.

(vii) The nature of dispute involved in any settled adverse claims, disputes, or lawsuits between the owner of a public works project and any member of the design-build team during the five years preceding submission of a bid under this article, in which the claim, settlement, or judgment exceeds two hundred fifty thousand dollars (\$250,000). Information shall also be provided concerning any work completed by a surety during this five-year period.

(G) If the proposed design-builder is a partnership, joint venture or association, or a partnership or association that is not yet formed, a copy of the organizational documents or agreement demonstrating a commitment to form the organization and a statement creating the partnership or association and specifying that all partners, joint venture members, or association members agree to be fully liable for the performance under the design-build contract.

(2) The information required under this subdivision shall be verified under oath by the design-build team and its members. Information required under this subdivision that is not a public record under the California Public Records Act, as described in Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code, shall not be open to public inspection.

(d) The transportation entity shall establish a procedure for final selection of the design-build team. Selection shall be based on either of the following criteria:

(1) A competitive bidding process resulting in technical proposals and price bids by the short-listed design-builders. The technical proposals will be evaluated on a pass or fail basis, and awards shall be made to the lowest responsible bidder submitting a responsive technical proposal and price bid.

(2) A design-build competition based upon best value and other criteria set forth in subdivision (b). The design-build competition shall include the following elements.

(A) Competitive proposals shall be evaluated by using only the criteria and selection procedures specifically identified in the request for proposal. However, the following minimum factors shall be considered, and shall be weighted, as deemed appropriate, by the transportation entity:

(i) Price.

1 (ii) Technical design and construction expertise.

2 (iii) Life cycle costs over 15 years or more.

3 (iv) An acceptable safety record. A bidder's safety record shall  
4 be deemed acceptable if its experience modification rate for the  
5 most recent three-year period is an average of 1.00 or less, and its  
6 average total recordable injury/illness rate and average lost work  
7 rate for the most recent three-year period does not exceed the  
8 applicable statistical standards for its business category or if the  
9 bidder is a party to an alternative dispute resolution system as  
10 provided for in Section 3201.5 of the Labor Code.

11 (B) If the request for proposals allows discussions, those  
12 discussions shall be conducted with all proposers in the  
13 competitive range and revised proposals shall be requested  
14 following completion of the discussions.

15 (C) When the evaluation is complete, the top three responsive  
16 proposers shall be ranked sequentially from the most  
17 advantageous to the least advantageous, and the award of the  
18 contract shall be made to the proposer ranked as the most  
19 advantageous, or, if negotiations are allowed, that proposer shall  
20 be selected for negotiations.

21 (D) Notwithstanding any other provision of this code, upon  
22 issuance of a contract award, the transportation entity shall  
23 publicly announce its award, identifying the contractor to whom  
24 the award is made, along with a written decision supporting its  
25 contract award and stating the basis of the award. The notice of  
26 award shall also include the transportation entity's second and  
27 third ranked design-build entities.

28 (E) The written decision supporting the transportation entity's  
29 contract award, described in subparagraph (D), and the contract  
30 file shall provide sufficient information to satisfy an external  
31 audit.

32 20209.27. The agency shall establish an organizational  
33 conflict-of-interest policy, consistent with applicable law,  
34 regarding the ability of firms that performed services for the  
35 agency relating to the solicitation to propose as a design-builder  
36 or to join a design-build team.

37 20209.28. (a) The design-builder shall provide payment and  
38 performance bonds for the project in the form and in the amount  
39 required by the transportation entity, and issued by a California

1 admitted surety. In no case shall the amount of the payment bond  
2 be less than the amount of the performance bond.

3 (b) The design-build contract shall require errors and omission  
4 insurance coverage for the design elements of the project.

5 (c) The agency shall develop a standard form of payment and  
6 performance bond. In developing the bond form, the agency shall  
7 consult with other agencies authorized to use a design-build  
8 process under this article and with representatives of the surety  
9 industry, to achieve a bond form that is consistent with surety  
10 industry standards, while protecting the interests of the public.

11 20209.30. (a) Subcontractors awarded subcontracts under  
12 this article shall be subject to Chapter 4 (commencing with  
13 Section 4100) of Part 1 of Division 2. The design-build entity  
14 with respect to the award of any subcontract, shall do the  
15 following:

16 (1) The transportation entity, in each design-build request for  
17 proposals, may identify specific types of subcontractors that must  
18 be included in the design-builder's statement of qualifications  
19 and proposal. All construction subcontractors that are identified  
20 in the proposal shall be afforded all the protections of Chapter 4  
21 (commencing with Section 4100) of Part 1 of Division 2.

22 (2) With the exception of the subcontracts listed in the  
23 proposal, the design-builder shall award each major subcontract  
24 in accordance with a competitive procurement process  
25 satisfactory to the public entity, which process shall include all of  
26 the following:

27 (A) Provide public notice of the availability of construction  
28 work to be subcontracted.

29 (B) Provide a fixed date and time at which the subcontracted  
30 construction work will be awarded.

31 (C) Establish reasonable short-listing or prequalification  
32 criteria and standards.

33 (D) Provide that the subcontracted construction work will be  
34 awarded either on a best value basis or to the lowest responsible  
35 bidder.

36 (b) These requirements shall not apply to subcontracts with  
37 subcontractors listed in the design-build proposal.

38 20209.32. A deviation from the performance criteria and  
39 standards established under subdivision (a) of Section 20209.26

1 shall not be authorized except by written consent of the  
2 transportation entity.

3 20209.34. (a) A local transportation entity shall consult with  
4 the department in identifying projects to be performed on the  
5 state highway system.

6 (b) The department shall establish the parameters for the  
7 extent of the participation of its employees under this article.

8 20209.36. Construction quality assurance for the construction  
9 of any project utilizing the design-build method of procurement  
10 authorized by this article, when the project is part of the state  
11 highway system, shall be performed by department personnel.

12 20209.38. Nothing in this article affects, expands, alters, or  
13 limits any rights or remedies otherwise available at law.

14 20209.40. (a) The retention proceeds withheld by a  
15 transportation entity from a design-build team shall not exceed 5  
16 percent.

17 (b) The transportation entity shall not withhold retention from  
18 payments to a design-build team for actual costs incurred and  
19 billed or design services, construction management services, or  
20 where applicable, for completed operations and maintenance  
21 services.

22 (c) In a contract between a design-build team and a  
23 subcontractor, and in a contract between a subcontractor and any  
24 subcontractor thereunder, the percentage of the retention  
25 proceeds withheld shall not exceed the percentage specified in  
26 the contract between the transportation entity and the  
27 design-build team. If the design-build team provides written  
28 notice to any subcontractor who is not a member of the  
29 design-build team, prior to or at the time that the bid is requested,  
30 that a bond may be required and the subcontractor subsequently  
31 is unable or refuses to furnish a bond to the design-build team,  
32 then the design-build team may withhold retention proceeds in  
33 excess of the percentage specified in the contract between the  
34 transportation entity and the design-build entity from any  
35 payment made by the design-build team to the subcontractor.

36 (d) In accordance with applicable state law, the design-build  
37 entity may be permitted to substitute securities in lieu of the  
38 withholding from progress payments specified in subdivision (b).  
39 These substitutions shall be made in accordance with Section  
40 22300.

1 20209.42. Not later than three years after the design-build  
2 contract is awarded, the transportation entity shall submit a  
3 progress report to the Senate Committee on Transportation and  
4 Housing and the Assembly Committee on Transportation. The  
5 progress report shall include, but shall not be limited to, all of the  
6 following information:

- 7 (a) A description of the project.
- 8 (b) The estimated and actual project costs.
- 9 (c) The design-build team that was awarded the project.
- 10 (d) A description of any written protests concerning any aspect  
11 of the solicitation, bid, proposal, or award of the design-build  
12 project, including, but not limited to, the resolution of the  
13 protests.
- 14 (e) An assessment of the prequalification process and criteria.
- 15 (f) An assessment of the impact of limiting retention to 5  
16 percent on the project, as required under Section 20209.40.
- 17 (g) A description of the labor compliance program required  
18 under Section 20209.24 and an assessment of the impact of this  
19 requirement on a project.
- 20 (h) A description of the method used to award the contract. If  
21 best value was the method, the factors used to evaluate the bid  
22 shall be described, including the weighting of each factor and an  
23 assessment of the effectiveness of the methodology.
- 24 (i) An assessment of the impact that the “skilled labor force  
25 availability” requirement imposed under clause (iv) of  
26 subparagraph (A) of paragraph (2) of subdivision (d) of Section  
27 20209.26 has had on the project.
- 28 (j) Recommendations regarding the most appropriate uses for  
29 the design-build method of procurement.

30 20209.44. The provisions of this article are severable. If any  
31 provision of this article or its application is held invalid, that  
32 invalidity shall not affect other provisions or applications that can  
33 be given effect without the invalid provision or application.

34 SEC. 3. Section 143 of the Streets and Highways Code is  
35 amended to read:

36 143. (a) ~~The department may solicit proposals and enter into~~  
37 ~~agreements with private entities, or consortia thereof, for the~~  
38 ~~construction by, and lease to, private entities of two public~~  
39 ~~transportation demonstration projects. The department shall not~~  
40 ~~enter into an agreement for any new proposals under this~~

~~authority after January 1, 2003.~~ (1) “Regional transportation agency” means any of the following:

(A) A transportation planning agency as defined in Section 29532 or 29532.1 of the Government Code.

(B) A county transportation commission as defined in Section 130050, 130050.1, or 130050.2 of the Public Utilities Code.

(C) Any other local or regional transportation entity that is designated by statute as a regional transportation agency.

(D) A joint exercise of powers authority as defined in Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, with the consent of a transportation planning agency or a county transportation commission for the jurisdiction in which the transportation project will be developed.

(2) “Transportation project” means one or more of the following: planning, design, development, finance, construction, reconstruction, rehabilitation, improvement, acquisition, lease, operation, maintenance, or ancillary commercial use of highway, public street, rail, or related facilities supplemental to existing facilities currently owned and operated by the department or regional transportation agencies.

(b) Notwithstanding any other provision of law, only the department, in cooperation with regional transportation agencies, and regional transportation agencies, may solicit proposals, accept unsolicited proposals, negotiate, and enter into comprehensive development lease agreements with public or private entities, or consortia thereof, for transportation projects.

~~(b)~~

(c) For the purpose of facilitating those projects, the agreements *between the parties* may include provisions for the lease of rights-of-way in, and airspace over or under, ~~state~~ highways, *public streets, rail, or related facilities* for the granting of necessary easements, and for the issuance of permits or other authorizations to enable the ~~private entity to construct construction of transportation facilities supplemental to existing state-owned transportation facilities projects~~. Facilities ~~constructed by a private entity pursuant to~~ subject to an agreement under this section shall, at all times, be owned by the ~~state~~ department as an operational part of the state highway system, or the regional transportation agency, as appropriate.

The agreement shall provide for the lease of those facilities to the private contracting entity for up to 35 years a term not to exceed 80 percent of the useful life of the project or 99 years, whichever is less, to recover private investments in the form of expended funds, together with a reasonable rate of return on those funds, negotiated by the department or the regional transportation agency with the contracting entity. For department projects, the commission shall certify the department's determination of the useful life of the project in establishing the lease agreement terms. In consideration therefor, the agreement shall provide for complete reversion of the privately constructed leased facility to the state, together with the right to collect tolls and user fees, to the department or regional transportation agency, at the expiration of the lease at no charge to the state department or regional transportation agency.

(e)

(d) (1) The department or a regional transportation agency may exercise any power possessed by it with respect to the development and construction of state transportation projects to facilitate the development and construction of transportation projects pursuant to this section. Agreements for maintenance and police services entered into pursuant to this section shall provide for full reimbursement for services rendered by the department or other state agencies. The department, regional transportation agency, and other state or local agencies may provide services to the contracting entity for which it the public entity is reimbursed with respect to preliminary, including, but not limited to, planning, environmental planning, environmental certification, and environmental review, preliminary design, design, right-of-way acquisition, construction, maintenance, and policing of the demonstration these transportation projects.

(2) In selecting private entities with which to enter into these agreements, notwithstanding any other provision of law, the department and regional transportation agencies may, but are not limited to, utilizing one or more of the following procurement approaches:

(A) Solicitations of proposals for defined projects and calls for project proposals within defined parameters.

(B) Pre-qualification and short-listing of proposers prior to final evaluation of proposals.

1 (C) Final evaluation of proposals based on qualifications, best  
2 value, or both.

3 (D) Payment of stipends to the top three proposers who  
4 provide a responsive and competitive bid.

5 (E) Negotiations with proposers prior to award.

6 (F) Acceptance of unsolicited proposals, with issuance of  
7 requests for competing proposals.

8 (3) No agreement entered into pursuant to this section shall  
9 infringe on the authority of the department or a regional  
10 transportation agency to develop, operate, or lease any  
11 transportation project. Lease agreements may provide for  
12 reasonable compensation to the lease holder for the adverse  
13 effects on toll revenue or user fee revenue due to the  
14 development, operation, or lease of supplemental transportation  
15 projects with the exception of any of the following:

16 (A) Projects identified in regional transportation plans  
17 prepared pursuant to Section 65080 of the Government Code and  
18 submitted to the commission as of December 31, 2005, unless  
19 provided by the lease agreement approved by the department or  
20 regional transportation agency and the commission.

21 (B) Safety projects.

22 (C) Improvement projects that will result in incidental  
23 capacity increases.

24 (D) Additional high-occupancy vehicle lanes or the conversion  
25 of existing lanes to high-occupancy vehicle lanes.

26 (E) Projects located outside the boundaries of a public-private  
27 partnership project, to be defined by the lease agreement.

28 ~~(d)~~

29 (e) (1) Agreements entered into pursuant to this section shall  
30 authorize the ~~private~~ contracting entity to impose tolls and user  
31 fees for use of a facility constructed by it, and shall require that  
32 over the term of the lease the toll revenues and user fees be  
33 applied to payment of ~~the private entity's~~ some or all of the  
34 capital outlay costs for the project, the costs associated with  
35 operations, toll and user fee collection, administration of the  
36 facility, reimbursement to the ~~state department or other~~  
37 governmental entity for the costs of ~~maintenance and police~~  
38 services to develop and maintain the project, police services, and  
39 a reasonable return on investment to the ~~private~~ contracting  
40 entity. The agreement shall require that, notwithstanding Sections

164, 188, and 188.1, any excess toll or user fee revenue either be applied to any indebtedness incurred by the ~~private contracting~~ entity with respect to the project, *improvements to the project*, or be paid into the State Highway Account, or ~~both~~ *for all three purposes*.

(2) The ~~authority to collect~~ *collection of tolls and user fees* for the use of these facilities ~~shall terminate~~ *may be extended by the commission or regional transportation agency* at the expiration of the ~~franchise lease~~ *agreement*.

(e)

(f) The plans and specifications for each *transportation project constructed developed, reconstructed, or operated* pursuant to this section shall comply with the department's *then-existing* standards for state transportation projects. ~~A If a facility constructed by and leased to a private entity is on the state highway system, the facility leased pursuant to this section shall, during the term of the lease, be deemed to be a part of the state highway system for purposes of identification, maintenance, enforcement of traffic laws, and for the purposes of Division 3.6 (commencing with Section 810) of Title 1 of the Government Code.~~

(f)

(g) The assignment authorized by subdivision (c) of Section 130240 of the Public Utilities Code is consistent with this section.

(h) *A lease to a private entity pursuant to this section is deemed to be public property for a public purpose and exempt from leasehold, real property, and ad valorem taxation, except for the use, if any, of that property for ancillary commercial purposes.*

(i) *Nothing in this section is intended to infringe on the authority to develop high-occupancy toll lanes pursuant to Section 149.4, 149.5, or 149.6.*

(j) *Nothing in this section shall be construed to allow the conversion of any existing non-toll or non-user-fee lanes into tolled or user fee lanes with the exception of a high-occupancy vehicle lane that may be operated as a high-occupancy toll lane for vehicles not otherwise meeting the requirements for use of that lane.*

1 SEC. 4. Section 149 of the Streets and Highways Code is  
2 amended to read:

3 149. The department *and regional transportation agencies*  
4 ~~may construct~~ *develop and operate* exclusive or preferential  
5 lanes for buses only or for buses and other high-occupancy  
6 vehicles, and may authorize or permit such exclusive or  
7 preferential use of designated lanes on existing highways that are  
8 part of the State Highway System. Prior to constructing such  
9 lanes, the department shall conduct competent engineering  
10 estimates of the effect of such lanes on safety, congestion, and  
11 highway capacity.

12 To the extent they are available, the department *and regional*  
13 *transportation agencies* may apply for and use federal aid funds  
14 appropriated for the design, construction, and use of such  
15 exclusive or preferential lanes, but may also use other State  
16 Highway Account funds, including other federal aid funds, for  
17 those purposes where proper and desirable.

18 *The department and regional transportation agencies may*  
19 *develop and operate exclusive or preferential lanes under this*  
20 *section as toll and user fee facilities and may enter into lease*  
21 *agreements pursuant to Section 143 for the development and*  
22 *operation of those lanes.*

23 This section shall be known and may be cited as the Carrell  
24 Act.

25 SEC. 5. Section 217 of the Streets and Highways Code is  
26 amended to read:

27 217. The following definitions apply for the purposes of this  
28 article:

29 (a) “Design” is a plan completed to a level of 30 percent.

30 (b) “Design-sequencing” is a method of contracting that  
31 enables the sequencing of design activities to permit each  
32 construction phase to commence when design for that phase is  
33 complete, instead of requiring design for the entire project to be  
34 completed before commencing construction.

35 (c) A “design-sequencing contract” is a contract between the  
36 department and a contractor that requires the department to  
37 prepare a design and permits construction of a project to  
38 commence upon completion of design for a construction phase.

39 (d) This section shall remain in effect only until January 1,  
40 ~~2010~~ *2012*, and as of that date is repealed, unless a later enacted

1 statute, that is enacted before January 1, ~~2010~~ 2012, deletes or  
2 extends that date.

3 SEC. 6. Section 217.75 is added to the Streets and Highways  
4 Code, to read:

5 217.75. (a) Notwithstanding Chapter 1 (commencing with  
6 Section 10100) of Part 2 of Division 2 of the Public Contract  
7 Code, except Section 10128 of that code, and Chapter 10  
8 (commencing with Section 4525) of Division 5 of Title 1 of the  
9 Government Code, the department may, as part of the phase two  
10 pilot program described in Section 217.7, let additional  
11 design-sequencing contracts for the design and construction of  
12 not more than four transportation projects, to be selected based  
13 on criteria established by the director. For the purpose of this  
14 article, these projects shall be deemed public works.

15 (b) In selecting projects authorized under subdivision (a), the  
16 director shall attempt to balance geographical areas among the  
17 four additional test projects authorized by this section,  
18 considering the design sequencing contracts that have been  
19 previously let, and shall pursue diversity in the types of projects  
20 undertaken. In this process, the director shall consider selecting  
21 projects that improve interregional and intercounty routes.

22 (c) To the extent available, the department shall seek to  
23 incorporate existing knowledge and experience on  
24 design-sequencing contracts in carrying out its responsibilities  
25 under subdivision (a).

26 (d) This section shall remain in effect only until January 1,  
27 2012, and as of that date is repealed, unless a later enacted  
28 statute, that is enacted before January 1, 2012, deletes or extends  
29 that date.

30 SEC. 7. Section 217.8 of the Streets and Highways Code is  
31 amended to read:

32 217.8. (a) Not later than July 1, 2006, and July 1 of each  
33 subsequent year during which a contract under the phase two  
34 pilot program, as described in Section 217.7, is in effect, the  
35 department shall prepare a status report on its contracting  
36 methods, procedures, costs, and delivery schedules. Upon  
37 completion of all design-sequencing contracts *authorized under*  
38 *Section 217.7*, but in no event later than January 1, 2010 , the  
39 department shall establish a peer review committee or continue in  
40 existence the peer review committee created pursuant to former

1 Section 217.4, which was added by Chapter 378 of the Statutes  
2 of 1999, and *shall* direct that committee to prepare a report for  
3 submittal to the Legislature that describes and evaluates the  
4 outcome of the contracts provided for in Section 217.7, stating  
5 the positive and negative aspects of using design-sequencing as a  
6 contracting method.

7 (b) *Not later than July 1, 2007 and July 1 of each subsequent*  
8 *year, during which a contract under the phase two pilot*  
9 *program, as described in Section 217.75, is in effect, the*  
10 *department shall prepare a status report on its contracting*  
11 *methods, procedures, costs, and delivery schedules. Upon*  
12 *completion of the design sequencing projects authorized under*  
13 *Section 217.75, but in no event later than January 1, 2012, the*  
14 *department shall direct the peer review committee authorized*  
15 *under subdivision (a) to prepare a report for submittal to the*  
16 *Legislature that describes and evaluates the outcome of the*  
17 *contracts provided for in Section 217.75, stating the positive and*  
18 *negative aspects of using design-sequencing as a contracting*  
19 *method.*

20 (c) This section shall remain in effect only until January 1,  
21 ~~2010~~ 2012, and as of that date is repealed, unless a later enacted  
22 statute, that is enacted before January 1, ~~2010~~ 2012, deletes or  
23 extends that date.

24 SEC. 8. Section 217.9 of the Streets and Highways Code is  
25 amended to read:

26 217.9. Design-sequencing contracts under the phase two pilot  
27 program, as described in ~~Section~~ Sections 217.7 and 217.75, shall  
28 be awarded in accordance with all of the following:

29 (a) The department shall advertise design-sequencing projects  
30 by special public notice to contractors.

31 (b) Contractors shall be required to provide prequalification  
32 information establishing appropriate licensure and successful  
33 past experience with the proposed work.

34 (c) This section shall remain in effect only until January 1,  
35 ~~2010~~ 2012, and as of that date is repealed, unless a later enacted  
36 statute, that is enacted before January 1, ~~2010~~ 2012, deletes or  
37 extends that date.

38 SEC. 9. Section 2108 of the Streets and Highways Code is  
39 amended to read:

2108. (a) The balance of the money in the Highway Users Tax Account in the Transportation Tax Fund, after making the apportionments or appropriations, as the case may be, pursuant to Sections 2104 to 2107.7, inclusive, shall be transferred to the State Highway Account in the State Transportation Fund for expenditure in accordance with Section 163.

(b) *Notwithstanding subdivision (a), if bonds are issued pursuant to Chapter 3 (commencing with Section 99300) of Title 19 of the Government Code, beginning in July, 2015, the Controller shall transfer up to 25 percent of the revenues that would otherwise be deposited in the State Highway Account in the State Transportation Fund pursuant to subdivision (a) into the Fuel Tax and Weight Fee Debt Service Fund and continue doing so until receipt of the notice under Section 99319 of the Government Code. When combined with the transfers of weight fee revenue under Section 42205 of the Vehicle Code, the total amount transferred shall not exceed one billion twenty-five million dollars (\$1,025,000,000) per year. The transfers shall be made in accordance with the resolution of the committee that authorizes the issuance of the bonds. The Controller shall make the transfers from each revenue source proportionate to its size compared to the other source as estimated in the annual Governor's Budget.*

SEC. 10. Section 42205 of the Vehicle Code is amended to read:

42205. (a) Notwithstanding Chapter 3 (commencing with Section 42270), the department shall file, at least monthly with the Controller, a report of money received by the department pursuant to ~~Section~~ *Sections 9400 and 9400.1* for the previous month and shall, at the same time, remit all money so reported to the Treasurer. On order of the Controller, the Treasurer shall deposit all money so remitted into the State Highway Account in the State Transportation Fund.

(b) The Legislature shall appropriate from the State Highway Account in the State Transportation Fund to the department and the Franchise Tax Board amounts equal to the costs incurred by each in performing their duties pursuant to Article 3 (commencing with Section 9400) of Chapter 6 of Division 3. The applicable amounts shall be determined so that the appropriate costs for registration and weight fee collection activities are

1 appropriated between the recipients of revenues in proportion to  
2 the revenues that would have been received individually by those  
3 recipients if the total fee imposed under the Vehicle License Fee  
4 Law (Part 5 (commencing with Section 10701) of Division 2 of  
5 the Revenue and Taxation Code) was 2 percent of the market  
6 value of a vehicle. The remainder of the funds collected under  
7 ~~Section~~ Sections 9400 and 9400.1 and deposited in the account  
8 may be appropriated to the Department of Transportation, the  
9 Department of the California Highway Patrol, and the  
10 Department of Motor Vehicles for the purposes authorized under  
11 Section 2 of Article XIX of the California Constitution.

12 *(c) Notwithstanding subdivision (a), if bonds are issued*  
13 *pursuant to Chapter 3 (commencing with Section 99300) of Title*  
14 *19 of the Government Code, beginning in July, 2015, the*  
15 *Controller shall transfer monthly up to 25 percent of the*  
16 *revenues that would otherwise be deposited in the State Highway*  
17 *Account in the State Transportation Fund into the Fuel Tax and*  
18 *Weight Fee Debt Service Fund and continue doing so until*  
19 *receipt of the notice under Section 99319 of the Government*  
20 *Code. When combined with the transfers of fuel tax revenue*  
21 *under Section 2108 of the Streets and Highways Code, the total*  
22 *amount transferred shall not exceed one billion twenty-five*  
23 *million dollars (\$1,025,000,000) per year. The transfers shall be*  
24 *made in accordance with the resolution of the committee that*  
25 *authorizes the issuance of the bonds. The Controller shall make*  
26 *the transfers from each revenue source proportionate to its size*  
27 *compared to the other source as estimated in the annual*  
28 *Governor's Budget.*

29 SEC. 11. (a) Chapter 1 (commencing with Section 99100) of  
30 Title 19 of the Government Code shall become operative upon  
31 adoption by the voters of the Congestion Reduction, Clean Air,  
32 and Trade Corridor Bond Act of 2006, as set forth in Section 1 of  
33 this act.

34 (b) Chapter 2 (commencing with Section 99200) of Title 19 of  
35 the Government Code shall become operative upon adoption by  
36 the voters of the Congestion Reduction, Clean Air, and Trade  
37 Corridor Bond Act of 2008, as set forth in Section 1 of this act.

38 (c) Chapter 3 (commencing with Section 99300) of Title 19 of  
39 the Government Code, and Sections 9 and 10 of this act shall  
40 become operative upon adoption by the voters of the

1 Transportation Revenue Bond Act of 2012, as set forth in Section  
2 1 of this act.

3 SEC. 12. (a) The Secretary of State shall submit the bond act  
4 described in subdivision (a) of Section 11 of this act to the voters  
5 at the \_\_\_\_, 2006, election, in accordance with the provisions of  
6 the Elections Code and the Government Code that govern the  
7 submission of statewide measures to the voters.

8 (b) The Secretary of State shall submit the bond act described  
9 in subdivision (b) of Section 11 of this act to the voters at the  
10 November 4, 2008, general election, in accordance with the  
11 provisions of the Elections Code and the Government Code that  
12 govern the submission of statewide measures to the voters.

13 (c) The Secretary of State shall submit the bond act described  
14 in subdivision (c) of Section 11 of this act to the voters at the  
15 November 6, 2012, general election, in accordance with the  
16 provisions of the Elections Code and the Government Code that  
17 govern the submission of statewide measures to the voters.

18 SEC. 13. (a) Notwithstanding any other provision of law, all  
19 ballots of the \_\_\_\_, 2006, election shall have printed thereon and  
20 in a square thereof, the words “Congestion Reduction, Clean Air,  
21 and Trade Corridor Bond Act of 2006,” and in the same square  
22 under those words, the following in 8-point type:

23 “This six billion dollar (\$6,000,000,000) bond issue will  
24 provide funding for necessary transportation and air quality  
25 improvements to relieve traffic congestion and provide capacity  
26 to serve the growing California population while reducing  
27 pollution. Funds will be targeted to areas of the greatest need and  
28 must be spent according to strict performance and accountability  
29 measures. Funds will be used to upgrade and build transportation  
30 infrastructure owned by state and local government and, in  
31 accordance with law, through partnerships with private  
32 enterprises to minimize the cost in the taxpayer funds and in  
33 recognition of the impact on the public of privately-owned  
34 transportation facilities and equipment.”

35 Opposite the square, there shall be left spaces in which the  
36 voters may place a cross in the manner required by law to  
37 indicate whether they vote for or against the act.

38 (b) Where voting in the election is done by means of voting  
39 machines used pursuant to law in a manner that carries out the  
40 intent of this section, the use of the voting machines and the

1 expression of the voters' choice by means thereof are in  
2 compliance with this section.

3 SEC. 14. (a) Notwithstanding any other provision of law, all  
4 ballots of the November 4, 2008, general election shall have  
5 printed thereon and in a square thereof, the words "Congestion  
6 Reduction, Clean Air, and Trade Corridor Bond Act of 2008,"  
7 and in the same square under those words, the following in  
8 8-point type:

9 "This six billion dollar (\$6,000,000,000) bond issue will  
10 provide funding for necessary transportation and air quality  
11 improvements to relieve traffic congestion and provide capacity  
12 to serve the growing California population while reducing  
13 pollution. Funds will be targeted to areas of the greatest need and  
14 must be spent according to strict performance and accountability  
15 measures. Funds will be used to upgrade and build transportation  
16 infrastructure owned by state and local government and, in  
17 accordance with law, through partnerships with private  
18 enterprises to minimize the cost in the taxpayer funds and in  
19 recognition of the impact on the public of privately-owned  
20 transportation facilities and equipment."

21 Opposite the square, there shall be left spaces in which the  
22 voters may place a cross in the manner required by law to  
23 indicate whether they vote for or against the act.

24 (b) Where voting in the election is done by means of voting  
25 machines used pursuant to law in a manner that carries out the  
26 intent of this section, the use of the voting machines and the  
27 expression of the voters' choice by means thereof are in  
28 compliance with this section.

29 SEC. 15. (a) Notwithstanding any other provision of law, all  
30 ballots of the November 6, 2012, general election shall have  
31 printed thereon and in a square thereof, the words  
32 "Transportation Revenue Bond Act of 2012," and in the same  
33 square under those words, the following in 8-point type:

34 "This fourteen billion dollar (\$14,000,000,000) bond issue will  
35 provide funding for necessary transportation and air quality  
36 improvements to relieve traffic congestion and provide capacity  
37 to serve the growing California population while reducing  
38 pollution. Funds will be targeted to areas of the greatest need and  
39 must be spent according to strict performance and accountability  
40 measures. Funds will be used to upgrade and build transportation

1 infrastructure owned by state and local government and, in  
2 accordance with law, through partnerships with private  
3 enterprises to minimize the cost in the taxpayer funds and in  
4 recognition of the impact on the public of privately-owned  
5 transportation facilities and equipment.”

6 Opposite the square, there shall be left spaces in which the  
7 voters may place a cross in the manner required by law to  
8 indicate whether they vote for or against the act.

9 (b) Where voting in the election is done by means of voting  
10 machines used pursuant to law in a manner that carries out the  
11 intent of this section, the use of the voting machines and the  
12 expression of the voters’ choice by means thereof are in  
13 compliance with this section.

14 SEC. 16. No reimbursement is required by this act pursuant  
15 to Section 6 of Article XIII B of the California Constitution  
16 because the only costs that may be incurred by a local agency or  
17 school district will be incurred because this act creates a new  
18 crime or infraction, eliminates a crime or infraction, or changes  
19 the penalty for a crime or infraction, within the meaning of  
20 Section 17556 of the Government Code, or changes the  
21 definition of a crime within the meaning of Section 6 of Article  
22 XIII B of the California Constitution.

23 SEC. 17. This act is an urgency statute necessary for the  
24 immediate preservation of the public peace, health, or safety  
25 within the meaning of Article IV of the Constitution and shall go  
26 into immediate effect. The facts constituting the necessity are:

27 In order that the Congestion Reduction, Clean Air, and Trade  
28 Corridor Bond Act of 2006 may be submitted for voter approval  
29 at the \_\_\_\_, 2006, election to provide funding for urgently  
30 needed transportation and air quality projects and programs and  
31 to set forth a comprehensive transportation funding plan, it is  
32 necessary that this act go into effect immediately.